

BREXIT: DELIVERING PREDICTABILITY – A SINGLE TRANSITION FOR BUSINESS

CELCAA, the European association representing the trade in agri-food and agri-commodities in the European Union, has a direct interest in the negotiations on the withdrawal of the United Kingdom (UK) from the European Union (EU) and on the future agreement that will govern the post-Brexit trade between the EU and the UK.

1- Transiting to a new agreement

Brexit has introduced a major factor of uncertainty for European, UK and third countries' businesses. This is equally true of products and goods being supplied into the UK as coming from it. To continue investing and supporting the EU economic growth and jobs, business operators need stability, predictability and legal certainty.

Given the complexity and unprecedented nature of these negotiations, business at this stage cannot anticipate what will become reality after March 2019. In particular the requirements to be met for import and export clearances and the regulatory requirements which will need to be put in place between business and relevant authorities, not least those requiring a technological solution. At this stage the exit agreement, together with what the EU/UK relationship will be, is only likely to become clear in (late) 2018. Business operators need sufficient time to adapt to new regulatory and trade environments but crucially should only be required to take these steps on a single occasion. Multiplying regulatory and trade changes will lead to even more legal uncertainty, less investments, change of trade patterns, potential litigation and will negatively impact the EU economic growth.

This is why CELCAA is calling for both the EU and the UK to recognise the basic & essential requirements of business and to ensure that a key component of the transition to the negotiated new relationship will be the need for this single change in systems requirements for the benefit of business and authorities alike.

From 30 March 2019 until such time as we complete the transition to a future agreement, all EU law and regulations shall continue to apply. The transitional period should guarantee the maintenance of all the EU acquis, standstill should apply.

Conditions of the new EU-UK trade regime should be known by operators well in advance so that they have sufficient time to adjust to the new regulatory and trade environment. The authorities of both the EU and the UK will also certainly need to have sufficient time to adapt their customs and regulatory procedures. We would urge therefore that the period of time required for this transition should be determined not by political requirements, but by business essential needs and by the time required to properly establish the new procedures, in particular new IT systems and additional human resources and logistical capacity which will be needed. Once and only when the new EU-UK trade regime is known and communicated to business operators, then it will be time for the business to adjust to the new conditions. Until then, the standstill shall prevail. This roadmap will help avoid trade irritants, customs engorgement, and ultimately, chaos.

We should not lose sight of the fact that business certainty, a negotiated agreement offering benefits to both sides and a stable transition period with a single point of change are all interlinked and dependent on each other.



2- Comprehensive EU-UK Trade Deal

In order to maintain the efficiency and competitiveness created by the Single Market, CELCAA calls on EU and UK negotiators to fully investigate how the benefits available to both parties can be retained within the framework of a future comprehensive agreement. Whilst the issue of tariffs and market access remain an important component they are only a single example and CELCAA members have equal concerns over a range of other issues including the recognition and protection of Geographical Indicators (GI's), the mutual recognition of non-tariff, sanitary and phytosanitary requirements and customs procedures in both the EU and UK which do not constrain or delay imports and export of produce, much of which traded by CELCAA members is of a perishable nature with a short shelf-life.

Whilst the conclusion of an EU-UK Free Trade Agreement is of the utmost commercial importance to CELCAA members, the negotiations cannot ignore the potential for impact on third country partners. One very current example of this are the negotiations over the WTO Tariff Rate Quotas, where TRQs holders have already indicated their intention to seek not only compensation but also a direct involvement in the negotiations. This is only a single example and underlines both the complex nature of negotiations but also the true multi-lateral nature of modern commercial agricultural and horticultural trade. On this and other points CELCAA stands available and ready to provide the expertise needed to the EU and UK negotiators.

CELCAA is the EU umbrella association representing EU organisations covering the trade in cereals, grains, oils and fats, sugar, fruit and vegetables, olive oil, agro-supply, animal feed, wine, meat and meat products, dairy and dairy products, eggs and egg products, poultry and game, tobacco, spices, cut flowers and plants and general produces. Members include ASSUC, CEEV, CIBC, COCERAL, EUCOLAIT, EUROPATAT, EUWEP, FETRATAB, FRESHFEL, FRUCOM, Union Fleurs and UECBV. CELCAA's main objectives are to facilitate understanding of European decision-makers and stakeholders on the role played by the European traders in agri-products; to act as a platform of dialogue and communication with the European Institutions and to encourage public and general interests in agri-trade issues. More information can be found on www.celcaa.eu